

STATE ALLOCATION BOARD

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Date: May 23, 2008

To: Interested Parties

Subject: **NOTICE OF THE STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE MEETING**

Notice is hereby provided that the State Allocation Board Implementation Committee will hold a meeting on **Friday, June 6, 2008** from 9:30 a.m. to 3:30 p.m. in the Legislative Office Building located at 1020 "N" Street, Room 100, Sacramento, California.

The Implementation Committee's proposed agenda is as follows:

- 1) Convene Meeting
- 2) Assembly Bill 1014 (Bass)
Continued discussion of proposed regulatory amendments relating to enrollment projection methods outlined in AB 1014 (Chapter 691, Statutes of 2007)
- 3) Material Inaccuracy Penalties
Continued discussion of the Material Inaccuracy penalties
- 4) Financial Hardship Program
Discussion of proposed regulatory amendments to the Financial Hardship Program
- 5) Material Inaccuracy Regulations – Project Information Worksheet Protections
Continued discussion on proposed regulatory amendments for protections in reporting on the Project Information Worksheet

Any interested person may present public testimony or comments at this meeting regarding the issues scheduled for discussion. Any public input regarding unscheduled issues should be presented in writing, which may then be scheduled for a future meeting. For additional information, please contact Carrie Richter at (916) 445-3159.

A handwritten signature in black ink, appearing to read "Rob Cook".

ROB COOK, Executive Officer
State Allocation Board

STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE
June 6, 2008

Assembly Bill 1014: ENROLLMENT PROJECTION AUGMENTATIONS

To continue discussion and present proposed regulations, forms and worksheets for Assembly Bill (AB) 1014, Chapter 691, Statutes of 2007 (Bass). AB 1014 authorizes the State Allocation Board (SAB) to modify the enrollment projection calculation method used to establish eligibility for new construction funding under the provisions of the School Facility Program (SFP). This item includes the proposals for implementation of the following components:

- modified weighting mechanisms,
- birth rate augmentation,
- 10-year enrollment projections,
- use of residency data for High School Attendance Area (HSAA) reporting.

AUTHORITY

Education Code (EC) Section 17071.75(a)(2)(B) authorizes the SAB to modify the weighting mechanism used to determine the fifth-year enrollment projection, if the Board determines that they best represent the enrollment trends of the district. The Section also directs the SAB to develop and apply the modified mechanisms in consultation with the Demographic Research Unit (DRU) of the Department of Finance (DOF).

EC Section 17071.75(a)(2)(C) authorizes the SAB to supplement Kindergarten and first grade enrollment projection with an adjustment for changes in the birth rates within the school district or HSAA boundaries.

EC Section 17071.75(a)(3)(A) authorizes a school district to "submit an enrollment projection for either a fifth or tenth-year beyond the fiscal year in which the application is made. A school district that bases its enrollment projection calculation on a high school attendance area may use pupil residence in that attendance area to calculate enrollment. A school district that utilizes pupil residence shall do so for all high school attendance areas within the district. A pupil shall not be included in a high school attendance area enrollment projection based on pupil residence unless that pupil was included in the California Basic Educational Data System (CBEDS) report of the district for the same enrollment year. The board may require a district to provide a reconciliation of the districtwide CBEDS and residency data. The board may also adopt regulations to specify the format and certification requirements for a school district that submits residency data."

Proposed Regulations

The Office of Public School Construction (OPSC) has drafted the proposed regulation changes on Attachment A. The following list summarizes the proposed regulation changes:

1. Revision and Addition to Definitions

Due to the requirements of birth rates, and their availability through either county information or Zone Improvement Project (ZIP) Code information, the definition of ZIP Code has been included. In addition, the *Enrollment Projection/Certification* (Form SAB 50-01) date has been revised assuming the regulations are sent to the June 2008 SAB meeting.

Two non-substantive changes have also been included with these regulations; a correction to the definition of Non-Severe students where an incorrect Federal Regulation section was referenced and Small School District was revised to correctly reference the Form SAB 50-01.

2. Revision to the HSAA Reporting Guidelines

The creation of Section 1859.41.1 defines a district's ability to report HSAA enrollment by either attendance or residence. The ability of a district to report by attendance has remained unchanged, though a portion of Section 1859.41 was moved to Section 1859.41.1.

In addition, a new worksheet (Attachment B) has been created to allow the OPSC to verify enrollment of HSAA districts reporting by pupil residence.

3. Revision to Non-Special Day Class Projections

This section received two types of changes. The first was the removal of Dwelling Unit augmentation language so that it could be moved into the newly created enrollment projection supplements section. The other changes reflected the addition of the tenth-year projection option and expansion of the current calculations.

4. Supplements to Non-Special Day Class Projections

Districts utilizing a fifth-year attendance based projection will have access to three supplements. The Dwelling Unit regulations were moved from the previous section. They have also received some non-substantive changes.

The Birth-Attendance Rate adjustment section shows the steps used to generate a district's average birth-attendance rate which utilizes county birth numbers and predicts the numbers of children born who will then attend the district five years later. It also allows a district to report the ZIP Codes served by the district so that ZIP Code birth information can be utilized instead of county birth numbers.

A regulation section has been included to show where future regulations for the alternative weighting mechanisms will be placed. In addition, the proposed Form SAB 50-01 includes changes to reflect the future proposed regulations. The OPSC intends to provide an electronic calculation to assist districts in testing additional mechanisms beyond those proposed or specified in regulations.

5. Revisions Special Day Class Projections

These regulations have been revised to add in the tenth-year enrollment projection option. It is important to note that districts will need to utilize either the tenth-year or fifth-year projection method for both Special Day Class and Non-Special Day Class pupils each time an adjustment is made.

In addition, the requirement to report Special Day Class pupils by classification has been removed. Calculations will now be made using the category total (Non-Severe or Severe) by Elementary or Secondary instead of using each classification type.

6. Adjustments to Enrollment Reporting in the Event of an Anomaly

In response to significant comment and concern by stakeholders, Staff is proposing regulations that will provide for relief for a significant decrease in a district's enrollment that is caused by a temporary anomalous event outside the district control.

Districts experiencing a 25 percent decline in a grade category (K-6, 7-8, or 9-12) over a period of no more than two years will be able to replace their affected enrollment with an average of the previous three years at that grade level. When utilized in conjunction with alternative weighting mechanisms and the other supplements available to a district, this proposed adjustment will prevent anomalous events from hindering the district's ability to accurately projection enrollment.

7. Revision to New Construction Baseline Adjustment

This non-substantive change to the baseline adjustment for an enrollment update will allow for tracking of which enrollment projection method is being utilized.

8. Revision to Conversion to Preliminary Apportionment

This non-substantive change reflects that the EC section authorizing Critically Overcrowded School preliminary apportionment conversion specified fifth-year projection. The current regulations do not reflect this.

DISCUSSION

Modified Weighting Mechanisms

Background

The current five-year projection method utilizes a weighting mechanism of 1-2-3 that is applied to the changes in enrollment from current and three prior enrollment years. This mechanism is applied to the change in enrollment as a grade survives to the next and captures the difference. As an example, a second grade class of 100 students would be compared to the third grade class in the following year (the exception to this is Kindergarten, which is compared to the previous year Kindergarten enrollment). If the third grade class size is 110, the change would be $110 - 100$, or 10. Each year's data is compared to the previous year enrollment and multiplied by the appropriate weight. Currently, the change in the current year from the first previous enrollment year is weighted more heavily (i.e. multiplied by three) in order to emphasize the effect of this change under the assumption that what is currently happening to a district's enrollment will continue to occur in the next five years. In calculating the projection, four years of enrollment are used, generating three changes per grade level. In order to generate a weighted average change, these three changes are averaged by six as the total weights add up to six. The weighted average of the changes of four years of enrollment is then used to determine the projected change in enrollment from grade level to grade level to arrive at the number of pupils projected for the fifth year.

Proposal

Staff is proposing to implement three weighting mechanisms described below. It is important to note that, while mathematically there are many possible combinations of numbers, including fractional weights, only a few can be reasonably applied to the Cohort Survival Enrollment Projection System.

- 1-2-3: A continued use of the existing weighting formula for the projection method as it has been shown to accurately predict future enrollment for the majority of districts. This projection method represents districts in which current enrollment trends are most relevant to five-year projections.
- 3-2-1: This mechanism is designed for districts where the more recent trends are contrary to the long term trends of the district. By weighting towards the older years, this weighting system is implying that past trends will be more prevalent in the future than the current ones.
- 1-1-1: This system is intended for districts that have varied enrollment from year to year, and do not grow or decline in a more predictable manner.

EC 17071.75(a)(2) states "The board may supplement the cohort survival enrollment projection with any of the following:... Modified weighting mechanisms, if the board determines that they best represent the enrollment trends of the district." In order to determine which weighting mechanism best represents the enrollment trends, the following analysis must be conducted for each district wishing to establish an enrollment projection:

- Step 1 When a district submits an application for an eligibility update that includes a request for an alternative weighting mechanism, the district will also submit a worksheet that includes 14 additional years of enrollment data as would be submitted on the Form SAB 50-01.
- Step 2 Run a cohort survival projection method, using each of the weighted mechanisms described above. In other words, determine what the projection for each enrollment year would have been using the different weighting mechanisms and develop three sets of projection data.
- Step 3 For each set of data, compare projected enrollment for a given year to the number of pupils that actually enrolled in the district in that year. For example, a school district reports actual enrollment for 2000/01 and three prior years and uses that data to project enrollment for 2005/06. Once 2005/06 occurs, the actual enrollment data for 2005/06 is available and can be compared to the projection made

five years prior. The 14 years submitted on the worksheet with the years included on the Form SAB 50-01 will allow for ten samples to be compared. The comparison is to be done using the following formula:

$$\frac{\text{'Projected Enrollment' - 'Actual Enrollment'}}{\text{'Actual Enrollment'}}$$

Using this calculation, the ideal result would be zero, meaning that the enrollment projection resulted in the exact enrollment five years later. A positive number, converted to a percentage, would indicate the calculation resulted in over-projection and a negative number would indicate that it under-projected enrollment.

- Step 4 Each set of data can be converted to a set of “accuracy points” either above or below the zero line. By comparing each year’s projected enrollment to actual data in each of the three sets, a scatter plot is developed that graphically represents the accuracy of the projection method organized by progression of time.
- Step 5 The accuracy of each method can be evaluated using regression analysis¹, to determine a trend line for each of the three data sets. The trend line will indicate the average accuracy of the projection method.
- Step 6 Three trend lines are then plotted on the same graph. On the one hand, at any given point in time in the past, one can see which projection method would have, on average, generated the most accurate projection. On the other hand, because the lines continue beyond the current enrollment year, it is possible to determine which of the weighting mechanisms, based on the past enrollment trends, will generate the most accurate projection five years into the future.

The background calculations will be expanded to determine the most accurate weighting method. This method will be used to calculate the average change in enrollment which would then be applied to project future enrollment. School districts will not be required to perform the calculations. Instead, the OPSC will provide a tool that would automatically produce the output result based on the data input by the users.

For school districts that wish to explore other weighting mechanisms, besides the pre-set ones (1-2-3, 1-1-1, 3-2-1), the calculation tool will include a method for the other weighting mechanism to be entered and compared. The following requirements would apply to a district that proposes to use an alternative weighting mechanism:

1. A district would have to provide the reasoning behind the alternative weighting method and why the district feels it best represents the enrollment trends of the district.
2. Using the district’s historical data, it must demonstrate that the proposed alternative weighting method would have more accurately projected the district’s enrollment than the weighting method that would have been determined using the trend lines analysis method.

The district would submit the proposal and data to the OPSC with the Form SAB 50-01 for review of the alternative weighting method by the SAB in consultation with the DRU.

¹ Regression Analysis: a method for fitting a curve (not necessarily a straight line) through a set of points using some goodness-of-fit criterion. The most common type of regression is linear regression. Source: *Wolfram Math World*, <http://www.mathworld.wolfram.com/Regression.html>

ATTACHMENT A

Section 1859.2. Definitions.

...

"Approved Application(s)" means a district has submitted the application and all documents to the Office of Public School Construction that are required to be submitted with the application as identified in the General Information Section of Forms SAB 50-01, Enrollment Certification/Projection, (Revised ~~03/05~~ 06/08); SAB 50-02, Existing School Building Capacity; SAB 50-03, Eligibility Determination, (Revised 09/06); and SAB 50-04, Application for Funding, as appropriate, and the Office of Public School Construction has completed and accepted a preliminary approval review pursuant to Education Code Section 17072.25(a).

...

"Form SAB 50-01" means the Enrollment Certification/Projection, Form SAB 50-01 (Revised ~~04/07~~ 06/08), which is incorporated by reference.

...

"Non-Severely Disabled Individual with Exceptional Needs" means an individual with exceptional needs not defined in Education Code Section 56030.5 but included in 34 Code of Federal Regulations Part 300.58.

...

"Small School District" means a school district with current districtwide enrollment reported in Part A, the continuation high pupils reported in Part ~~BC~~, and the ~~s~~Special ~~d~~Day ~~e~~Class pupils reported in Part ~~C~~ D on the latest Form SAB 50-01, used to determine or adjust the district's baseline eligibility pursuant to Sections 1859.50 and 1859.51 or submitted separately to the OPSC, that is 2,500 or less.

...

"Zone Improvement Project (ZIP) Code" means the area as determined by the United States Postal Service.

...

Section 1859.41. High School Attendance Area Reporting.

- (a) A district may request that its eligibility determination for a New Construction Grant be based on a HSAA or Super HSAA basis if it meets all the following criteria:
 - (1) The district demonstrates that the eligibility determination for a New Construction Grant in at least one of the district's HSAA or Super HSAA results in negative eligibility for maximum funding at any grade level within the HSAA or Super HSAA.
 - (2) The New Construction Grant eligibility determination for the HSAA or Super HSAA is based on the existing boundaries of the HSAA or Super HSAA and the capacity and projected enrollment of the HSAA or Super HSAA as shown on the Form SAB 50-03.
 - (3) The eligibility determination for the HSAA or Super HSAA includes a currently operated high school that serves any combination of grades nine through twelve and that high school is not a continuation high school or a community school.
- (b) If a district meets the criteria in subsection (a) and requests its eligibility determination to be based on an HSAA or Super HSAA, eligibility for a future New Construction Grant, with the exception of community school pupil grants for a county superintendent, in that HSAA or Super HSAA must be filed on the same basis for a period of five years from the date the district received an apportionment that was justified by eligibility under that HSAA or Super HSAA. ~~When only a portion of the enrollment at a feeder school actually contributes to the HSAA or Super HSAA, the district shall report, as a percentage, only that portion of the enrollment.~~ A county superintendent reporting on the basis of one or more HSAA basis may file applications by utilizing HSAA or Super HSAA boundaries of any district within the county. A county superintendent may report enrollment and file eligibility for a future New Construction Grant separately for special education pupils or for community school pupils.

If a district requests to re-file its eligibility determination from HSAA or Super HSAA to district-wide after the five year time period has elapsed, the existing school building capacity in the district will be determined based on classrooms available in the HSAA or Super HSAA at the time of initial request for eligibility determination and the current classrooms in the remaining portion of the district. Once the baseline eligibility has been determined for the district, it will be adjusted for classrooms constructed, funded or acquired in that HSAA or Super HSAA as provided by Section 1859.51.

Existing boundaries of a HSAA or Super HSAA may only be changed as a result of Section 1859.51(f).

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17070.35, 17071.75 and 17071.76, Education Code.

Section 1859.41.1. Pupil Reporting Options for Projecting High School Attendance Area Enrollment

A district that qualifies to have its eligibility determination for a New Construction Grant made on a HSAA or Super HSAA basis pursuant to Section 1859.41 must report pupil enrollment for all HSAAs and/or Super HSAAs in the district in the manner outlined in either (a) or (b) below:

- (a) Report pupils attending schools in each HSAA or Super HSAA. When only a portion of the enrollment at a feeder school actually contributes to the HSAA or Super HSAA, the district shall report, as a percentage, only that portion of the enrollment.
- (b) Report pupils residing in each HSAA or Super HSAA. A district that reports pupils by residence shall only report pupils residing within the boundaries of the district that were included in the CBEDS Report of the district for the same enrollment year.

Eligibility for a New Construction Grant must be filed using either (a) or (b) above, until the district has submitted a final Form SAB 50-06 for all projects for which the district has received an apportionment justified by eligibility determined using that same pupil reporting option.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17070.35, 17071.75 and 17071.76, Education Code.

Section 1859.42. Projecting Non-Special Day Class Enrollment.

The district enrollment, as reported on the Form SAB 50-01, shall be used to calculate the district's projected enrollment other than Special Day Class enrollment. The OPSC shall use either (a) or (b) the following methodology to determine the district's projected enrollment:

- (a) Fifth-year projected enrollment with the exception of Special Day Class enrollment shall be calculated pursuant to the cohort survival enrollment projection system which is described as follows:
 - (1) For all grades, using the current and three previous years of enrollment, determine the numerical change in enrollment between the current grade and the next lower grade in the previous year; determine the numerical change in enrollment between the previous year grade and the next lower grade in the second previous year; determine the numerical change in enrollment between the second previous year grade and the next lower grade in the third previous year. Determine the numerical change of kindergarten enrollment on the second previous and third previous year respectively. A district utilizing a fifth-year enrollment projection may calculate the kindergarten enrollment projection in accordance with Section 1859.42.1(b).
 - (2) Compute the annual change in enrollment as explained in (1) for each grade. The annual change shall then be weighted by multiplying the most recent annual change in enrollment by three, the next most recent annual change by two, and the earliest annual change by one, and dividing the sum of the annual weighted changes for each grade by six. The result shall be the average annual change.
 - (3) Progress the latest reported enrollment Calculate enrollment for each projection year by advancing the latest reported enrollment in each grade through the five-year projection period, modifying the grade progression each year by the average annual change for each grade as computed in (2).
- ~~(b) The enrollment projection will be augmented based on the number of pupils as reported by the district on Form SAB 50-01, that will reside in dwelling units included in an approved and valid tentative or final subdivision map that exceed the number of pupils projected as a result of the cohort survival method for that tentative or final subdivision map. The augmentation shall be as follows:—~~
 - ~~(1) Progress the current enrollment as reported on Form SAB 50-01, for one year for each grade level. For kindergarten, the progressed current enrollment shall be the same as the reported current enrollment.~~
 - ~~(2) Subtract the current enrollment progressed one year for each grade level from the one year projection of enrollment for each grade level as determined in (a). If the computation results in a negative number, the number shall be deemed zero.~~
 - ~~(3) Divide the current enrollment progressed one year for each grade level by the sum of the current enrollment progressed one year in all grade levels.~~
 - ~~(4) Multiply the number of housing units in the approved and valid tentative or final subdivision maps by the pupil yield factor provided on the Form SAB 50-01.~~
 - ~~(5) Multiply the number of pupils determined in (4) by the percentages determined in (3) for each grade.~~
 - ~~(6) Subtract five times the value determined in (2) from the value determined in (5). If the computation results in a negative number, the number shall be deemed zero.~~
 - ~~(7) Add the value in (6) to the fifth year of projected enrollment as computed in (a) to establish the augmented projection of enrollment.~~
- (b) Tenth-year projected enrollment with the exception of Special Day Class enrollment shall be calculated pursuant to the cohort survival enrollment projection system which is described as follows:

- (1) For all grades, using the current and seven previous years of enrollment, determine the numerical change in enrollment between:
 - (A) The current grade and the next lower grade in the first previous year;
 - (B) The first previous year grade and the next lower grade in the second previous year;
 - (C) The second previous year grade and the next lower grade in the third previous year;
 - (D) The third previous year grade and the next lower grade in the fourth previous year;
 - (E) The fourth previous year grade and the next lower grade in the fifth previous year;
 - (F) The fifth previous year grade and the next lower grade in the sixth previous year;
 - (G) The sixth previous year grade and the next lower grade in the seventh previous year;
 - (H) Determine the numerical change of kindergarten enrollment using the previous year's kindergarten enrollment in place of the next lower grade in the previous year for each step in (A) through (G), respectively.
- (2) Compute the annual change in enrollment as explained in (1) for each grade. The annual change shall then be weighted by multiplying the most recent annual change in enrollment by seven, the next most recent annual change by six, the next most recent annual change by five, the next most recent annual change by four, the next most recent annual change by three, the next most recent annual change by two, and the earliest annual change by one, and dividing the sum of the annual weighted changes for each grade by twenty-eight. The result shall be the average annual change.
- (3) Calculate enrollment for each projection year by advancing the latest reported enrollment in each grade through the ten-year projection period, modifying the grade progression each year by the average annual change for each grade as computed in (2).
- (c) The projected enrollment of a HSAA or Super HSAA shall be computed in the same manner as that set forth in this section, except that the enrollment used in such computation shall be that of the HSAA or Super HSAA rather than the entire district. ~~Augmentation as provided in (b) of this Section may include only dwelling units located in the HSAA or Super HSAA.~~

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17071.75 and 17071.76, Education Code.

Section 1859.42.1. Supplements to the Fifth-Year Projection of Non-Special Day Class Enrollment.

A district utilizing a fifth-year enrollment projection pursuant to Section 1859.42(a) may supplement the enrollment projection with any of the following:

- (a) The number of pupils as reported by the district on Form SAB 50-01, that will reside in dwelling units included in an approved and valid tentative or final subdivision map that exceed the number of pupils projected as a result of the cohort survival method for that tentative or final subdivision map. The augmentation shall be calculated as follows:
 - (1) Calculate a first year projection by advancing the current enrollment as reported on Form SAB 50-01 by one year for each grade level without applying the average annual change. For kindergarten, the first year projection shall be the same as the reported current enrollment.
 - (2) Subtract the current enrollment progressed one year for each grade level as determined in (1) from the one-year projection of enrollment for each grade level as determined in Section 1859.42(a). If the computation results in a negative number, the number shall be zero.
 - (3) Divide the current enrollment progressed one year for each grade level by the sum of the current enrollment progressed one year in all grade levels.
 - (4) Multiply the number of housing units in the approved and valid tentative or final subdivision maps by the pupil yield factor provided on the Form SAB 50-01.
 - (5) Multiply the number of pupils determined in (4) by the percentages determined in (3) for each grade.
 - (6) Subtract five times the value determined in (2) from the value determined in (5). If the computation results in a negative number, the number shall be zero.
 - (7) Add the value in (6) to the fifth year of projected enrollment as computed in Section 1859.42(a) to establish the augmented projection of enrollment.
 - (8) For districts with HSAA reporting, the augmentation as provided in this section may include only dwelling units located in the HSAA or Super HSAA.
- (b) The number of births as reported by the district on the Form SAB 50-01, that will attend kindergarten within the district or HSAA five years later. The augmentation shall be calculated as follows:
 - (1) For current and each of the three previous years of enrollment reported on the Form SAB 50-01, determine the yearly birth-attendance rate by dividing the kindergarten enrollment by the number of county births from the fifth preceding year. Add the four yearly birth-attendance rates and divide by four. The result will be the average birth-attendance rate.
 - (2) County births must be as reported by the Department of Health Services by place of residence. A district may substitute the use of county births with 'by place of residence' ZIP Code corresponding to the district's or HSAA's boundaries using births by ZIP

Code as reported by the Department of Health Services. The district must report the ZIP Codes the district or HSAA will serve for the current year and three previous years.

- (3) Calculate the kindergarten enrollment projection by multiplying the fifth year's prior birth number by the average birth-attendance rate. For years in which the Department of Health Services has not yet reported county births, the kindergarten enrollment shall be calculated using the average change per Section 1859.42(a)(3).

(c) Alternative weighting that is applied to the annual change in Section 1859.42(a)(2) as follows:

- (1) TO BE INCLUDED IN A SUBSEQUENT MEETING.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17071.75 and 17071.76, Education Code.

Section 1859.43. Projecting Special Day Class Enrollment.

The district enrollment, as reported on the Form SAB 50-01, shall be used to calculate the district's projected Special Day Class enrollment. The OPSC shall use the following methodology to determine the district's projected enrollment:

- (a) For the purposes of this section the final year shall refer to the fifth or tenth-year as determined in projection method used for projecting non-Special Day Class enrollment in Section 1859.42. The projected enrollment of each classification of Special Day Class students served by a school district shall be computed by multiplying the total reported enrollment of Special Day Class students by the five final-year projection, of the same grade level of students as determined by Section 1859.42. The resulting value shall be divided by the current enrollment of the same students as provided on Form SAB 50-01.
- (b) The projected enrollment of each classification of Special Day Class students served by a county office of education shall be computed as follows: using either (1) or (2). A county office of education that utilized a fifth-year projection when projecting non-Special Day Class enrollment per Section 1859.42 must utilize a fifth-year projection for projecting its Special Day Class enrollment. A county office of education that utilized a tenth-year projection when projecting its non-Special Day Class enrollment per Section 1859.42 must utilize a tenth-year projection for its Special Day Class enrollment.
- (1) Fifth-year projection enrollment shall be calculated as follows:
- (1 A) Determine the percentage change in total Special Day Class enrollment from the previous year to the current year; determine the percentage change in total Special Day Class enrollment in the second previous year to the previous year; determine the percentage change in total Special Day Class enrollment in the third previous year to the second previous year. To determine the average annual change, add the three percentage changes and divide by three.
- (2 B) The current Special Day Class enrollment provided by the county office of education as reported on Form SAB 50-01, shall be adjusted by the average annual percentage change in (1 A) for each year until the five-year projected enrollment has been determined.
- (2) Tenth-year enrollment projection shall be calculated as follows:
- (A) Calculate the average annual change as follows:
1. Determine the percentage change in total Special Day Class enrollment from the previous year to the current year;
 2. Determine the percentage change in total Special Day Class enrollment in the second previous year to the previous year;
 3. Determine the percentage change in total Special Day Class enrollment in the third previous year to the second previous year;
 4. Determine the percentage change in total Special Day Class enrollment in the fourth previous year to the third previous year;
 5. Determine the percentage change in total Special Day Class enrollment in the fifth previous year to the fourth previous year;
 6. Determine the percentage change in total Special Day Class enrollment in the sixth previous year to the fifth previous year;
 7. Determine the percentage change in total Special Day Class enrollment in the seventh previous year to the sixth previous year.
 8. To determine the average annual change, add the seven percentage changes and divide by seven.
- (B) The current Special Day Class enrollment provided by the county office of education as reported on Form SAB 50-01, shall be adjusted by the average annual percentage change in 1. above, for each year until the tenth-year projected enrollment has been determined.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17071.75 and 17071.76, Education Code.

Section 1859.44. Adjustments to Enrollment Reporting in the Event of an Anomaly.

In the event of an anomaly, a district may be eligible to replace up to two consecutive years of actual enrollment data with modified enrollment data when reporting enrollment for the purposes of generating an enrollment projection.

For the purpose of this section, anomaly means a sudden and unforeseen event beyond the reasonable control of the district, causing the severe decline or total loss of pupil enrollment.

A district seeking to modify its enrollment reporting under provisions of this Section must demonstrate that it meets (a) or (b), and (c)(1):

- (a) The Governor or the Office of Emergency Services has declared the county in which the district is located to be in a state of emergency, as determined in Government Code Section 8625-8629, and the district enrollment is directly impacted by the anomalous event.
- (b) The district provides other evidence satisfactory to the Board detailing the nature of the anomaly and its direct impact on district's enrollment.
- (c) In order for a district to qualify for (2) below, it must qualify and utilize (1) below,
 - (1) The district experiences an enrollment loss of 25 percent or greater, as compared to the year preceding the enrollment decline, within a grade category based on the enrollment data as reported on the Form SAB 50-01 in the enrollment year immediately preceding, during or following the occurrence of the anomaly. For the purpose of this section, grade category refers to enrollment in kindergarten through sixth grade, seventh grade through eighth grade, and ninth grade through twelfth grade respectively.
 - (2) If a district wishes to report modified enrollment for the second year following the initial enrollment decline, the district must demonstrate an enrollment loss of 25 percent or greater, as compared to the year preceding the enrollment decline within a grade category based on the enrollment data as reported on the Form SAB 50-01.

If the district meets the requirements outlined above, the district enrollment may adjust its reported enrollment as follows:

- (d) The first year enrollment data shall be adjusted as follows:
 - (1) For each grade level within each qualifying grade category, add the enrollment from the three years preceding the year of the enrollment decline and divide by three. If the submitted Form SAB 50-01 does not provide enrollment information for all three years, the district must submit an additional Form SAB 50-01 and report the additional enrollment data with the eighth previous year reported under the current year category.
 - (2) For each grade level within each qualifying grade category, substitute the actual enrollment with the number determined in (1) above and report on the Form SAB 50-01.
- (e) The second year enrollment data shall be adjusted as follows:
 - (1) For each grade level within each qualifying grade category, add the enrollment from the two years preceding the year of the enrollment decline to the modified enrollment determined in (d)(1) above, and divide the sum by three. If the submitted Form SAB 50-01 does not provide enrollment information for all three years, the district must submit an additional Form SAB 50-01 and report the additional enrollment data with the eighth previous years reported under the current year category.
 - (2) For each grade level within each qualifying grade category, substitute the actual enrollment with the number determined in (1) above and report on the Form SAB 50-01.

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17071.75 and 17071.76, Education Code.

Section 1859.51. Adjustments to the New Construction Baseline Eligibility.

The baseline eligibility for new construction determined on the Form SAB 50-03, will be adjusted as follows:

- ...
- (e) Increased/decreased by changes in projected enrollment in subsequent enrollment reporting years for all districts except decreases as provided in (j) below:
 - (1) Utilizing a fifth-year projection.
 - (2) Utilizing a tenth-year projection.
- ...

Note: Authority cited: Section 17070.35, Education Code.

Reference: Sections 17052, 17070.51, 17071.25, 17071.75, 17071.76, 17072.20, 17077.40, 17078.72, 17079.20 and 42268, Education Code.

Section 1859.147. Conversion of Preliminary Apportionment.

When a Preliminary Apportionment is converted to a Final Apportionment, the following criteria must be met:

- (a) The district must have current New Construction Eligibility utilizing a fifth-year projection per Section 1859.42(a) sufficient to support at least 75 percent of the pupils the district requested and received the Preliminary Apportionment, except as allowed in (d) or (e).

...

Underlined text without highlight is a new addition.

~~Strikethrough text with highlight is a deletions.~~

~~Strikethrough text with gray highlight has been moved to another place in the form instructions.~~

Underlined text with the gray highlight has been moved without changes from another place in the form.

STATE OF CALIFORNIA

ENROLLMENT CERTIFICATION/PROJECTION

SCHOOL FACILITY PROGRAM

SAB 50-01 REV 04/07-06/08

GENERAL INFORMATION

To determine a district's initial eligibility for new construction funding under the School Facility Program (SFP), the district must provide enrollment information for the current and previous three or seven years, as appropriate, on this form. After the initial submittal, this form need only be resubmitted when the district requests additional new construction funding in a new enrollment year, as a result of a reorganization election that affects either the district's enrollment or existing school building capacity, or as a result of a special education program transfer.

Pupil Enrollment Projection Options

Districts may submit either a fifth-year or a tenth-year enrollment projection. If utilizing the fifth-year enrollment projection, a district must provide the current and three previous years' enrollment information. If utilizing the tenth-year enrollment projection, a district must provide the current and seven previous years' enrollment information. Districts must utilize either the fifth-year or the tenth-year projection for all grade groupings and HSAA's or Super HSAA's in the district.

A high school district, unified school district, or county superintendent of schools may file on a ~~High School~~ ~~Attendance Area~~ (HSAA) basis or Super HSAA's as provided under Education Code Section 17071.76 and Section 1859.41. In that case, the enrollment used on this form is the current and three or seven previous years' enrollment in the HSAA or Super HSAA.

Districts filing on a HSAA or Super HSAA basis may report pupil enrollment by either the HSAA in which the pupils attend school or by the HSAA in which pupils reside. Districts reporting enrollment using residency data must submit additional documentation outlined below.

The following options are available to project enrollment:

For Districtwide or HSAA Enrollment Reporting:

- Fifth-Year Projection
 - Districts must report the current and three previous years' enrollment data.
 - The fifth-year enrollment projection may be augmented with any of the following: dwelling units, district student yield factor, modified weighting mechanisms, and/or birth-attendance rates.

- Tenth-Year Projection
 - Districts must report current and seven previous years' enrollment data.

For HSAA Residency Reporting:

- Fifth-Year Projection
 - Districts must report the current and three previous years' enrollment data.
- Tenth-Year Projection
 - Districts must report current and seven previous years' enrollment data.

For HSAA Residency Reporting [For Critically Overcrowded Schools (COS) HSAA districts filing pursuant to Section 1859.147 (e)(2).]

- Fifth-Year Projection
 - Districts must report the current and three previous years' enrollment data.

Augmentations to the Fifth-Year Enrollment Projection

A district that is requesting a fifth-year enrollment projection and reporting on a districtwide or HSAA pupil enrollment basis may utilize the following augmentations to the enrollment projection:

- Modified Weighting Mechanisms
If the district is requesting to utilize modified weighting mechanisms, the district must submit the Modified Weighting Mechanism Form.

If the district is requesting to utilize an alternate weighting mechanism, it must provide a narrative explaining the reasoning behind the alternate weighting mechanism and how the alternate weighting mechanism best represents the enrollment trends of the district.

- Birth-Attendance Rate Adjustment
If the district is requesting an adjustment to the fifth-year projection due to changes in the birth-attendance rate based on county birth data, no additional documentation is required.

If the district is requesting a birth-attendance rate adjustment based on birth data by district ZIP Codes, the district must provide the ZIP Codes served by the district.

- Dwelling Unit Augmentation
Districts requesting a dwelling unit augmentation must provide all of the following:
 - The approval dates of the maps by the local planning commission or approval authority and
 - The number of dwelling units to be built within each subdivision excluding all dwelling units that

have either 1) been occupied; or, 2) had construction permits pulled that are twelve months or older from the date the permit was pulled. (Note: A district must select only one option—the Date of Occupancy or permits pulled, plus twelve months—as the point in time to stop reporting dwelling units for all tracts being submitted. A district may select the alternate option the following submittal year if desired.); and,

- One of the following:
 1. An approved and valid tentative or final subdivision map with the local planning commission or approval authority stamp located on the map, or
 2. An approved and valid tentative or final subdivision map with supporting documentation, or
 3. A spreadsheet or the Office of Public School Construction (OPSC) dwelling unit worksheet listing all of the subdivisions reported on the Form SAB 50-01 with supporting documentation. If the district wishes to utilize this option, please note that when the district representative signs the Form SAB 50-01, he/she is certifying that the tract maps are on file at the district office and available for OPSC review if requested.

Supporting documentation is defined as one of the following:

- Local planning commission or approval authority meeting minutes detailing the approval of the map. If the approval was given an extension, please provide the most current meeting minutes indicating the approval of the extension request. Dwelling units contained in expired maps may not be reported on the Form SAB 50-01, or
 - A letter from the local planning commission or approval authority indicating that the tract map is approved and valid as of the signature date of the Form SAB 50-01, or
- Any other reasonable documentation from the local planning commission or approval authority that indicates the tract map is approved and currently valid.
- Student Yield Factor
 - If the district is requesting an augmentation of its enrollment projection due to pupils residing in new dwelling units and it is not using the State yield factors (refer to Part F), the district must provide a copy of the study supporting Student Yield Factors.

worksheet for every HSAA, if the district is currently, or anticipates for the future, reporting residency data pursuant to Section 1859.41.1(b) or 1859.147(e)(2) (refer to Part A). By signing this form, the district certifies that the pupil enrollment and residency data used to support the submitted map and worksheet is available at the district for Office of Public School Construction (OPSC) verification.

- To determine the new construction eligibility for a district filing on a HSAA basis and seeking COS project justification pursuant to SFP Regulation Section 1859.147(e)(2), one Form SAB 50-01 based on enrollment as reported to the California Department of Education and one based on the residence of the pupils must be filed for each HSAA which includes a Preliminary Apportionment for a 2002 COS project.
- Districts filing on a HSAA basis and seeking COS project justification pursuant to Section 1859.147(e)(2) must only report pupils in Part A of the form.

Additional Documentation

The following documentation must be submitted with this form (as appropriate):

- Specific enrollment data for district's with current enrollment that is less than 300 if the district is requesting an enrollment projection based on five-year average enrollment data (refer to Part A).
- A copy of the study supporting student yield factors if the district is requesting an augmentation of its enrollment projection due to pupils residing in new dwelling units and it is not using the State yield factors (refer to Part F).
- A copy of the governing board approved attendance map and enrollment distribution worksheet for every HSAA, if the district is currently, or anticipates for the future, reporting residency data (refer to Part A). By signing this form, the district certifies that the pupil enrollment and residency data used to support the submitted map and worksheet is available at the district for Office of Public School Construction (OPSC) verification.
- Upon transfer of any Special Education Local Plan Area (SELPA) facilities, the school districts are required to submit a letter to the OPSC, signed by each school district involved, including the following:
 - Grant deed or other legal documentation indicating the facilities have been transferred,

HSAA Residency Reporting

- A copy of the governing board approved attendance map and enrollment distribution

- Name of school,
- Building square footage and number of classrooms being transferred,
- The initial occupancy date of the facility,
- Date of transfer,
- Acknowledgement that the grantee may owe the State funds,
- Financial hardship status of each school district at time of initial application and at time of transfer,
- OPSC application number(s) of Application for Funding (Form SAB 50-04),
- Acknowledgment that the certifications made, pursuant to Education Code Sections 17070.77, 17070.755, 17070.75 and 17070.80, by the grantor on the Application for Funding (Form SAB 50-04) will be assumed by the grantee, and
- Request for a payment plan, if needed.

A high school district, unified school district, or county superintendent of schools may file on a high school attendance area (HSAA) basis or Super HSAA as provided under Education Code Section 17071.76 and Section 1859.41. In that case, the enrollment used on this form is the current and three previous years enrollment in the HSAA or Super HSAA.

To determine the new construction eligibility for a district filing on a HSAA basis, and seeking COS project justification pursuant to SFP Regulation Section 1859.147(e)(2), one Form SAB 50-01 based on enrollment as reported to CDE and one based on the residence of the pupils must be filed for each HSAA which includes a Preliminary Apportionment for a 2002 COS project.

This form is not used for modernization funding applications.

SPECIFIC INSTRUCTIONS

Check the box for either the fifth-year enrollment projection or the tenth-year enrollment projection.

If the district is reporting HSAA residency data, check the appropriate box.

If the district is requesting modified or alternate weighting, check the appropriate box. If requesting an alternate weighting mechanism, enter the alternate weights in the box to the right.

Part A. K-12 Pupil Data – Enrollment/Residency ~~Enrollment/Residency Data~~

~~Check the appropriate box to indicate whether the district is reporting enrollment data or residency data.~~

As an option, school districts with less than 300 current enrollment may report the previous five year average for any grade level for any year when the enrollment for that grade level has decreased by more than 50 percent from the previous year. If this option is used, the district must identify each grade level where this option is used on Form SAB 50-01 and attach the appropriate enrollment documentation to support this request.

As an option, a school district exhibiting an enrollment decline of at least 25 percent in a grade category (K-6, 7-8 or 9-12) as the result of an anomalous event, as defined in Section 1859.44(a) and (b), may report modified enrollment, as defined in Section 1859.44(d) and (e), for the year of and year following the enrollment decline. The district must identify each grade level where this option is used on the form, include the appropriate enrollment information on this form, and submit documentation to support this request. If this option is utilized with a tenth-year enrollment projection, the district must submit an additional Form SAB 50-01 if the required additional years cannot be included on one form.

Enrollment Data (To be completed by school districts or the county superintendent of schools.)

The information needed to complete this form is based on the latest California Basic Education Data Systems (CBEDS) that is available approximately October 15th of each year. Applications filed on or after November 1st must include the current school year enrollment. Report the current year and the three or seven prior years' K–12 enrollment, as appropriate. High school districts report the unduplicated enrollment data for grades served by the district and all feeder elementary school grades for the current year and the previous three or seven years, as appropriate.

~~As an option, school districts with less than 300 current enrollment may report the previous five year average for any grade level for any year when the enrollment for that grade level has decreased by more than 50 percent from the previous year. If this option is used, the district must identify each grade level where this option is used on Form SAB 50-01 and attach the appropriate enrollment documentation to support this request.~~

County superintendents report the enrollment for community school students as reported in April prior to the latest CBEDS report.

The enrollment data must include all of the following, if applicable:

- ~~o~~Off-track and on-track students attending multi-track year round schools,
- ~~s~~Students living outside the district's boundaries but attending schools in the district,
- ~~s~~Students receiving Classroom-Based Instruction in Charter Schools located within the district boundaries and are enrolled in the same grade levels or type served by the district regardless if the district chartered the school,
- ~~s~~Students attending magnet schools,
- ~~e~~Community school students, ~~and~~
- ~~s~~Students attending independent study,

Do not include any of the following:

- ~~s~~Students living in the district's boundaries but attending other districts,
- ~~s~~Students attending regional occupational programs,
- ~~s~~Students attending preschool programs,
- ~~e~~Other students not generally considered K–12 students including adult education students,
- ~~s~~Students receiving Classroom-Based Instruction in Charter Schools located within the district boundaries but are enrolled in grade levels or type not served by the district,

- Students living inside district boundaries but are receiving Classroom-Based Instruction in Charter Schools located outside the district boundaries;
- Students receiving Nonclassroom-Based Instruction;
- Juvenile court/court school students;
- Special Day Class pupils; or
- Continuation high school pupils;

Residency Data [To be completed by a HSAA school district filing pursuant to Section 1859.41.1 (b).]

The information needed to complete this section is based on the pupil residence within the HSAA or Super HSAA boundaries for the pupils reported in the latest CBEDS that is available approximately October 15th of each year. Applications filed on or after November 1st must include the current school year enrollment by pupil residence in the HSAA or Super HSAA. Report the current year and the three or seven prior years' K–12 pupils, as appropriate, that are enrolled and reside within the HSAA or Super HSAA boundaries. High school districts report the unduplicated pupil residency data for grades served by the HSAA and all feeder elementary school grades in the HSAA for the current year and the previous three or seven years, as appropriate.

County superintendents report the pupil residence for community school students as reported in April prior to the latest CBEDS report.

The pupil residency data must include all of the following, if any:

- Off -track and on-track students attending multi-track year round schools
- Students receiving Classroom-Based Instruction in Charter Schools located within the district boundaries and appearing on the district's current CBEDS report and who are enrolled in the same grade levels or type served by the district regardless if the district chartered the school
- Students attending magnet schools
- Community school students and
- Students attending independent study

Do not include any of the following:

- Students living outside the district's boundaries but attending schools in the district
- Students living in the district's boundaries but attending other districts
- Students attending regional occupational programs
- Students attending preschool programs
- Other students not generally considered K–12 students including adult education students
- Students receiving Classroom-Based Instruction in Charter Schools located within the district boundaries and who are enrolled in the same grade levels or type served by the district regardless if the district chartered the school but the Charter School does not appear on the district's current CBEDS report
- Students receiving Classroom-Based Instruction in Charter Schools located within the district boundaries but are enrolled in grade levels or type not served by the district
- Students living inside district boundaries but are receiving Classroom-Based Instruction in Charter Schools located outside the district boundaries
- Students receiving Nonclassroom-Based Instruction
- Juvenile court/court school students
- Special Day Class pupils or
- Continuation high school pupils

Residency Data (To be completed by a COS HSAA district, filing pursuant to Section 1859.147(e)(2).)

The information used to complete this form is based on the latest enrollment as reported on the CBEDS that is available October of each year, and pupil residency within the HSAA boundaries. Report the current year and the three prior years' K–12 pupils that are both enrolled and reside within the HSAA boundaries. For HSAA districts filing pursuant to Section 1859.147(e)(2)(A), only the current years' K–12 pupils must be reported.

Do not include any of the following:

- Students living outside the district's boundaries but attending school in the district;

- ~~Students living in the district's boundaries but attending other districts;~~
- ~~Students attending regional occupational programs;~~
- ~~Students attending preschool programs;~~
- ~~Other students not generally considered K–12 students including adult education;~~
- ~~Students receiving Classroom-Based Instruction in Charter Schools located within the district boundaries but are enrolled in grade levels or type not served by the district;~~
- ~~Students living inside district boundaries but are receiving Classroom-Based Instruction in Charter Schools located outside the district boundaries;~~
- ~~Students receiving Nonclassroom-Based Instruction;~~
- ~~Juvenile court/ court school students;~~
- ~~Special dDay eClass pupils-er~~
- ~~eContinuation high school pupils.~~

Part B. Pupils Attending Schools Chartered by Another District

Of the data reported in Part A of this form, indicate the aggregate pupil enrollment attending schools chartered by another district which are located within your district boundaries for the current year and the three or seven prior years, as appropriate. If the district is reporting pupils attending schools chartered by another district for the current year, then the district must submit a separate letter with the following information:

- The total Charter School enrollment listed by each of the K–12 grade levels reported for the current year.
- A list of the other school district(s) that chartered school(s) within your boundaries. Include the Charter School name(s) and total school enrollment.

For the previous years, report the total enrollment for pupils attending schools chartered by another district, if known. If the information is not available, enter N/A. In this case, the OPSC will adjust the previous years' enrollment data based on a prorated basis of the rate of growth or decline of the previous years' enrollment.

Enter 0 if there are no pupils attending schools chartered by another district within your district boundaries for the current or previous years.

Districts reporting enrollment by HSAA residency should not report any pupils in this section.

Part C. Continuation High School (To be completed by school districts only.)

~~Report the continuation high school enrollment for the current year and the three previous years. If reporting pupil enrollment data, report pupils enrolled in the HSAA or district for the current year and the three or seven prior years, as appropriate. If reporting HSAA pupil residency data, report continuation high school pupils residing in the HSAA or Super HSAA for the current year and the three or seven prior years, as appropriate. HSAA districts reporting pursuant to Section 1859.147(e)(2) do not report pupils in this section.~~ For purposes of projecting the enrollment, these pupils will be added to the enrollment data in Part A.

Part D. Special Day Class Pupils (To be completed by school districts or the county superintendent of schools.)

Report the pupils three to twenty-two years old enrolled or residing, as appropriate, within the district, HSAA or Super HSAA boundaries, attending the special day classes as shown and reported within the California Special Education Management Information System to the California Department of Education in December prior to the latest CBEDS report. ~~Use Report pupils descriptions~~ as provided in Section 1859.2 for Non-Severely Disabled Individual with Exceptional Needs and Severely Disabled Individual with Exceptional Needs.

Part E. Special Day Class Enrollment (To be completed by county superintendent of schools only.)

Report the total of ~~Special dDay eClass pupils in all categories~~ for the three or seven previous years, as appropriate, adjusted by the total pupils lost or gained due to a title transfer of a Special Education Program for each year.

Part F. Birth Data

If requesting an adjustment to the enrollment projections based on changes in the birth-attendance rate, check the appropriate box to indicate county birth data or district birth data by ZIP Code. Report county births or district births by ZIP Code as reported by the California Department of Health Services for the current and eighth previous years. If birth data is not available, enter N/A. If reporting district births by ZIP Code, provide the additional information outlined in the General Instructions of this form.

Part FG. New Dwelling Units (To be completed by school districts only.)

The district may augment the enrollment projection based on the number of pupils that are anticipated as a result of proposed dwelling units included in approved and valid tentative or final subdivision maps. The district must submit the dwelling unit information and documentation outlined in the General Instructions of this form.

~~The district must provide all of the following:~~

- ~~• The approval dates of the maps by the local planning commission or approval authority; and,~~
- ~~• The number of dwelling units to be built within each subdivision excluding all dwelling units that have either 1) been occupied; or, 2) had construction permits pulled that are twelve months or older from the date the permit was pulled. (Note: A district must select only one option—the Date of Occupancy or permits pulled, plus twelve months—as the point in time to stop reporting dwelling units for all tracts being submitted. A district may select the alternate option the following submittal year if desired.); and,~~
- ~~• One of the following:~~
 - ~~1. An approved and valid tentative or final subdivision map with the local planning commission or approval authority stamp located on the map, or~~
 - ~~2. An approved and valid tentative or final subdivision map with supporting documentation, or~~
 - ~~3. A spreadsheet or the OPSC dwelling unit worksheet listing all of the subdivisions reported on the Form SAB 50-01 with supporting documentation. If the district wishes to utilize this option, please note that when the district representative signs the Form SAB 50-01, he/she is certifying that the tract maps are on file at the district office and available for OPSC review if requested.~~

~~Supporting documentation is defined as one of the following:~~

- ~~• Local planning commission or approval authority meeting minutes detailing the approval of the map. If the approval was given an extension, please provide the most current meeting minutes indicating the approval of the extension request. Dwelling units contained in expired maps may not be reported on the Form SAB 50-01, or~~
- ~~• A letter from the local planning commission or approval authority indicating that the tract map is approved and valid as of the signature date of the Form SAB 50-01, or~~
- ~~• Any other reasonable documentation from the local planning commission or approval authority that indicates the tract map is approved and currently valid.~~

Report the determined number of dwelling units in Part FG.

Part GH. District Student Yield Factor (To be completed by school districts only.)

Report the district's ~~s~~Student ~~y~~Yield ~~f~~Factors as defined in Section 1859.2, if different than the statewide average ~~s~~Student ~~y~~Yield ~~f~~Factors. The statewide average ~~s~~Student ~~y~~Yield ~~f~~Factors are as follows:

- Elementary School District 0.5 students per dwelling unit
- High School District 0.2 students per dwelling unit
- Unified School District 0.7 students per dwelling unit

Should the district wish to use its own ~~s~~Student ~~y~~Yield ~~f~~Factors, a copy of the district's study that justifies the ~~s~~Student ~~y~~Yield ~~f~~Factors must be submitted with this form.

Part H. Five Year Projected Enrollment/Residency (Used for the School Facility Program. To be completed by the OPSC.)

Part I. One Year Projected Enrollment (Used for the State Relocatable Program.
To be completed by the OPSC. Do not manually complete Parts H or I.)

~~Complete this form manually, sign, date, and submit to the OPSC for computations. A completed copy of this form with the enrollment projections will be returned to the district.~~ This form shall be completed and submitted to the OPSC via the Internet with a certification document which requires an original signature to be mailed to the OPSC.

The methodology for calculating the district's projected enrollment is outlined in Sections 1859.42, 1859.42.1 and 1859.43.

STATE OF CALIFORNIA
ENROLLMENT CERTIFICATION/PROJECTION
SAB5001 (REV0608)

STATE ALLOCATION BOARD
OFFICE OF PUBLIC SCHOOL CONSTRUCTION
Page X of X

SCHOOL DISTRICT	SCHOOL DISTRICT TOTAL NUMBER (see District Allocation History)
COUNTY	FOR SCHOOL LAYERS: AREA (SQA) OR SUPERVISOR (SAP) (if applicable)

Check one: ☐ Fifth-Year Enrollment Projection ☐ Tenth-Year Enrollment Projection

H9AA Districts Only - check one:

☐ Residency ☐ Residency - CDS Districts Only - (Fifth Year Projection Only)

☐ Modified Weighting - (Fifth-Year Projection Only)

☐ Alternate Weighting - (Fill in boxes to the right)

3rd Prev. to 2nd Prev.	2nd Prev. to Prev.	Previous to Current

Part G. Number of New Dwelling Units
(Fifth-Year Projection Only)

Part H. District Student Yield Factor
(Fifth-Year Projection Only)

Part A. K-12 Pupil Data

Grade	1st Prev.	4th Prev.	5th Prev.	4th Prev.	3rd Prev.	2nd Prev.	Previous	Current
K	/	/	/	/	/	/	/	/
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
TOTAL								

Part B. Pupils Attending Schools Chartered By Another District

1st Prev.	4th Prev.	5th Prev.	4th Prev.	3rd Prev.	2nd Prev.	Previous	Current

Part C. Continuation High School Pupils - (Districts Only)

Grade	1st Prev.	4th Prev.	5th Prev.	4th Prev.	3rd Prev.	2nd Prev.	Previous	Current
9								
10								
11								
12								
TOTAL								

Part D. Special Day Class Pupils - (Districts or County Superintendent of Schools)

	Elementary	Secondary	TOTAL
Non-Special			
Special			
TOTAL			

Part E. Special Day Class Pupils - (County Superintendent of Schools Only)

1st Prev.	4th Prev.	5th Prev.	4th Prev.	3rd Prev.	2nd Prev.	Previous	Current
/	/	/	/	/	/	/	/

Part F. Birth Data - (Fifth-Year Projection Only)

☐ County Birth Data ☐ Birth Data by District ZIP Codes

4th Prev.	1st Prev.	4th Prev.	5th Prev.	4th Prev.	3rd Prev.	2nd Prev.	Previous	Current

Part I. Projected Enrollment

1. Fifth-Year Projection

Enrollment/Residency - (except Special Day Class pupils)

K-4	1-4	5-12	TOTAL

Special Day Class pupils only - Enrollment/Residency

Elementary	Secondary	TOTAL
Non-Special		
Special		
TOTAL		

2. Tenth-Year Projection

Enrollment/Residency - (except Special Day Class pupils)

K-4	1-4	5-12	TOTAL

Special Day Class pupils only - Enrollment/Residency

Elementary	Secondary	TOTAL
Non-Special		
Special		
TOTAL		

I certify as the District Representative, that the information reported on this form is true and correct and that:

* I am designated as an authorized district representative by the governing board of the district.

* If the district is requesting an augmentation in the enrollment projection pursuant to Regulation Section 155942.1 (a), the local planning commission or approval authority has approved the tentative subdivision map used for augmentation of the enrollment and the district has identified dwelling units in that map to be constructed. All subdivision maps used for augmentation of enrollment are available at the district for review by the Office of Public School Construction (OPSC).

* This form is an exact duplicate (verbatim) of the form provided by the Office of Public School Construction. In the event a conflict should exist, then the language in the OPSC form will prevail.

NAME OF DISTRICT REPRESENTATIVE (PRINT OR TYPE)

SIGNATURE OF DISTRICT REPRESENTATIVE

DATE

TELEPHONE NUMBER

HOME ADDRESS

ADDRESS

CITY

ZIP

ENROLLMENT CERTIFICATION/PROJECTION**SCHOOL FACILITY PROGRAM**

SAB 50-01 (REV 04/07)

SCHOOL DISTRICT 	FIVE-DIGIT DISTRICT CODE NUMBER (SEE CALIFORNIA PUBLIC SCHOOL DIRECTORY)
COUNTY	HIGH SCHOOL ATTENDANCE AREA (HSAA) OR SUPER-HSAA (IF APPLICABLE)

Part A. ☐ Enrollment Data ☐ Residency Data ☒ COS HSAA Districts Only

Grade	3rd Previous	2nd Previous	Previous	Current
K	✓	✓	✓	✓
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
Total				

Part B. Pupils Attending Schools Chartered by Another District

3rd Previous	2nd Previous	Previous	Current

Part C. Continuation High School (Districts Only)

Grade	3rd Previous	2nd Previous	Previous	Current
9	✓	✓	✓	✓
10				
11				
12				

Part D. Special Day Class Pupils (Districts or County Superintendent of Schools)

	Elementary					Secondary			
	NON-SEVERE	SEVERE	NON-SEVERE	SEVERE		NON-SEVERE	SEVERE	NON-SEVERE	SEVERE
MR					OI				
HH					OHI				
DEAF					SLD				
HI					DB				
SLI					MH				
VI					AUT				
SED					TBI				
					TOTAL				

I certify, as the District Representative, that the information reported on this form is true and correct and that:

- I am designated as an authorized district representative by the governing board of the district.
- If the district is requesting an augmentation in the enrollment projection pursuant to Section 1859.42(b), the local planning commission or approval authority has approved

Part E. Special Day Class Enrollment (County Superintendent of Schools Only)

3rd Previous	2nd Previous	Previous

Part F. Number of New Dwelling Units

Part G. District Student Yield Factor

Part H. Five Year Projected Enrollment/Residency—School Facility Program Projections (Except Special Day Class Pupils Only)

K-6	7-8	9-12	Total

Projections—Special Day Class Pupils Only

	Elementary					Secondary			
	NON-SEVERE	SEVERE	NON-SEVERE	SEVERE		NON-SEVERE	SEVERE	NON-SEVERE	SEVERE
MR					OI				
HH					OHI				
DEAF					SLD				
HI					DB				
SLI					MH				
VI					AUT				
SED					TBI				
					TOTAL				

Part I. One Year Projected Enrollment—State Relocatable Program Projections (Except Special Day Class Pupils Only)

K-6	7-8	9-12	Total

Projections—Special Day Class Pupils Only

	Elementary					Secondary			
	NON-SEVERE	SEVERE	NON-SEVERE	SEVERE		NON-SEVERE	SEVERE	NON-SEVERE	SEVERE
MR					OI				
HH					OHI				
DEAF					SLD				
HI					DB				
SLI					MH				
VI					AUT				
SED					TBI				
					TOTAL				

the tentative subdivision map used for augmentation of the enrollment and the district has identified dwelling units in that map to be contracted. All subdivision maps used for augmentation of enrollment are available at the district for review by the OPSC.

- This form is an exact duplicate (verbatim) of the form provided by Office of Public School Construction. In the event a conflict should exist, then the language in the OPSC form will prevail.

SIGNATURE OF DISTRICT REPRESENTATIVE	DATE

ATTACHMENT B
DISTRICTWIDE ENROLLMENT BY PUPIL RESIDENCE

SCHOOL DISTRICT

COUNTY

FIVE-DIGIT DISTRICT CODE NUMBER (see California Public School Directory)

	HIGH SCHOOL ATTENDANCE AREA (HSAA) OR SUPER HSAA NAME							
	7th Previous	6th Previous	5th Previous	4th Previous	3rd Previous	2nd Previous	Previous	Current
	/	/	/	/	/	/	/	/
K								
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
Elem. SDC								
Sec. SDC								
TOTALS:								

	HIGH SCHOOL ATTENDANCE AREA (HSAA) OR SUPER HSAA NAME							
	7th Previous	6th Previous	5th Previous	4th Previous	3rd Previous	2nd Previous	Previous	Current
	/	/	/	/	/	/	/	/
K								
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4								
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6								
7								
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9								
10								
11								
12								
Elem. SDC								
Sec. SDC								
TOTALS:								

DISTRICTWIDE ENROLLMENT BY PUPIL RESIDENCE

SCHOOL DISTRICT

COUNTY

FIVE DIGIT DISTRICT CODE NUMBER (see California Public School Directory)

	HIGH SCHOOL ATTENDANCE AREA (HSA) OR SUPER HSA NAME							
	7th Previous	6th Previous	5th Previous	4th Previous	3rd Previous	2nd Previous	Previous	Current
	/	/	/	/	/	/	/	/
K								
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3								
4								
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7								
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9								
10								
11								
12								
Elem. SDC								
Sec. SDC								
TOTALS:								

	TOTAL DISTRICT ENROLLMENT BY RESIDENCE							
	7th Previous	6th Previous	5th Previous	4th Previous	3rd Previous	2nd Previous	Previous	Current
	/	/	/	/	/	/	/	/
K								
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9								
10								
11								
12								
Elem. SDC								
Sec. SDC								
TOTALS:								

Assembly Bill No. 1014

CHAPTER 691

An act to amend Section 17071.75 of the Education Code, relating to school facilities.

[Approved by Governor October 14, 2007. Filed with
Secretary of State October 14, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1014, Bass. School facilities.

The Leroy F. Greene School Facilities Act of 1998 requires the State Allocation Board to allocate to applicant school districts prescribed per-unhoused-pupil state funding for construction and modernization of school facilities, including hardship funding and supplemental funding for site development and acquisition. The act provides that a school district's ongoing eligibility for new construction funding is determined by making calculations related to certain factors, including enrollment projections. The act requires school districts to calculate enrollment projections for the 5th year beyond the fiscal year in which the application is made by utilizing the cohort survival enrollment projection system, as defined and approved by the board. The act authorizes the board to supplement the cohort survival enrollment projection with the number of unhoused pupils who are anticipated as a result of dwelling units proposed pursuant to approved and valid tentative subdivision maps.

This bill, in addition, would authorize the board to supplement the projection with modified weighting mechanisms, subject to specified conditions, and an adjustment to reflect the effects of specified changes in birth rates. School districts would be authorized to submit an enrollment projection for either a 5th year or 10th year beyond the fiscal year in which the application is made. A school district that bases its enrollment projection calculation on a high school attendance area would be authorized to use pupil residence in that attendance area to calculate enrollment. The board would be authorized to adopt regulations to specify the format and certification requirements for a school district that submits residency data.

The people of the State of California do enact as follows:

SECTION 1. Section 17071.75 of the Education Code is amended to read:

17071.75. After a one-time initial report of existing school building capacity has been completed, the ongoing eligibility of a school district for

new construction funding shall be determined by making all of the following calculations:

(a) A school district that applies to receive funding for new construction shall use the following methods to determine projected enrollment:

(1) A school district that has two or more schoolsites each with a pupil population density that is greater than 115 pupils per acre in kindergarten and grades 1 to 6, inclusive, or a schoolsite pupil population density that is greater than 90 pupils per acre in grades 7 to 12, inclusive, as determined by the Superintendent using enrollment data from the California Basic Educational Data System for the 2004–05 school year, may submit an application for funding for projects that will relieve overcrowded conditions. That school district may also submit an alternative enrollment projection for the fifth year beyond the fiscal year in which the application is made using a methodology other than the cohort survival enrollment projection method as defined by the board pursuant to paragraph (2), to be reviewed by the Demographic Research Unit of the Department of Finance, in consultation with the department and the Office of Public School Construction. If the Office of Public School Construction and the Demographic Research Unit of the Department of Finance jointly determine that the alternative enrollment projection provides a reasonable estimate of expected enrollment demand, a recommendation shall be forwarded to the board to approve or disapprove the application, in accordance with all of the following:

(A) Total funding for new construction projects using this method shall be limited to five hundred million dollars (\$500,000,000), from the Kindergarten-University Public Education Facilities Bond Act of 2004.

(B) The eligibility amount for proposed projects that relieve overcrowding is the difference between the alternative enrollment projection method for the year the application is submitted and the cohort survival enrollment projection method, as defined by paragraph (2), for the same year, adjusted by the existing pupil capacity in excess of the projected enrollment according to the cohort survival enrollment projection method.

(C) The Office of Public School Construction shall determine whether each proposed project will relieve overcrowding, including, but not limited to, the elimination of the use of Concept 6 calendars, four track year-round calendars, or busing in excess of 40 minutes, and recommend approval to the board. The number of unhoused pupil grants requested in the application for funding from the eligibility determined pursuant to this paragraph shall be limited to the number of seats necessary to relieve overcrowding, including, but not limited to, the elimination of the use of Concept 6 calendars, four track year-round calendars, or busing in excess of 40 minutes, less the number of unhoused pupil grants attributed to that school as a source school in an approved application pursuant to Section 17078.24.

(D) A school district shall use the same alternative enrollment projection methodology for all applications submitted pursuant to this paragraph and shall calculate those projections in accordance with the same districtwide

or high school attendance area used for the enrollment projection made pursuant to paragraph (2).

(2) A school district shall calculate enrollment projections for the fifth year beyond the fiscal year in which the application is made. Projected enrollment shall be determined by utilizing the cohort survival enrollment projection system, as defined and approved by the board. The board may supplement the cohort survival enrollment projection with any of the following:

(A) The number of unhoused pupils that are anticipated as a result of dwelling units proposed pursuant to approved and valid tentative subdivision maps.

(B) Modified weighting mechanisms, if the board determines that they best represent the enrollment trends of the district. Mechanisms pursuant to this subparagraph shall be developed and applied in consultation with the Demographic Research Unit of the Department of Finance.

(C) An adjustment to reflect the effects on kindergarten and first grade enrollment of changes in birth rates within the school district or high school attendance area boundaries.

(3) (A) A school district may submit an enrollment projection for either a 5th year or a 10th year beyond the fiscal year in which the application is made. A school district that bases its enrollment projection calculation on a high school attendance area may use pupil residence in that attendance area to calculate enrollment. A school district that utilizes pupil residence shall do so for all high school attendance areas within the district. A pupil shall not be included in a high school attendance area enrollment projection based on pupil residence unless that pupil was included in the California Basic Educational Data System (CBEDS) report of the district for the same enrollment year. The board may require a district to provide a reconciliation of the districtwide CBEDS and residency data. The board also may adopt regulations to specify the format and certification requirements for a school district that submits residency data.

(b) (1) Add the number of pupils that may be adequately housed in the existing school building capacity of the applicant school district as determined pursuant to Article 2 (commencing with Section 17071.10) to the number of pupils for whom facilities were provided from any state or local funding source after the existing school building capacity was determined pursuant to Article 2 (commencing with Section 17071.10). For this purpose, the total number of pupils for whom facilities were provided shall be determined using the pupil loading formula set forth in Section 17071.25.

(2) Subtract from the number of pupils calculated in paragraph (1) the number of pupils that were housed in facilities to which the school district or county office of education relinquished title as the result of a transfer of a special education program between a school district and a county office of education or special education local plan area, if applicable. For this purpose, the total number of pupils that were housed in the facilities to which title was relinquished shall be determined using the pupil loading

formula adopted by the board pursuant to subparagraph (B) of paragraph (2) of subdivision (a) of Section 17071.25. For purposes of this paragraph, title also includes any lease interest with a duration of greater than five years.

(c) Subtract the number of pupils pursuant to subdivision (b) from the number of pupils determined pursuant to paragraph (2) of subdivision (a).

(d) The calculations required to establish eligibility under this article shall result in a distinction between the number of existing unhoused pupils and the number of projected unhoused pupils.

(e) Apply the increase or decrease resulting from the difference between the most recent report made pursuant to Section 42268, and the report used in determining the baseline capacity of the school district pursuant to subdivision (a) of Section 17071.25.

(f) For purposes of calculating projected enrollment pursuant to subdivision (a), the board may adopt regulations to ensure that the enrollment calculation of individuals with exceptional needs receiving special education services is adjusted in the enrollment reporting period in which the transfer occurs and three previous school years as a result of a transfer of a special education program between a school district and a county office of education or a special education local plan area. However, the projected enrollment calculation of a county office of education shall only be adjusted if a transfer of title for the special education program facilities has occurred. The regulations, if adopted, shall ensure that if a transfer of title to special education program facilities constructed with state funds occurs within 10 years after initial occupancy of the facility, the receiving school district or school districts shall remit to the state a proportionate share of any financial hardship assistance provided for the project pursuant to Section 17075.10, if applicable.

(g) For a school district with an enrollment of 2,500 or less, an adjustment in enrollment projections shall not result in a loss of ongoing eligibility to that school district for a period of three years from the date of the approval of eligibility by the board.

STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE
June 6, 2008

MATERIAL INACCURACY PENALTIES
FOR PREMATURE OR INVALID FUND RELEASE

PURPOSE

To continue the discussion of the methodology used to determine Staff's recommendations to the State Allocation Board (SAB) regarding the loss of self-certification in association with a Material Inaccuracy due to a premature or invalid fund release.

BACKGROUND

An item was presented at the April 4, 2008 Implementation Committee meeting regarding the practices used by the Office of Public School Construction (OPSC) to determine the recommended length of time for the loss of self-certification privileges in association with a Material Inaccuracy due to a premature or invalid fund release. During the meeting, a committee member expressed interest in meeting with Staff to discuss possible modifications to the current methodology in recommending the length of time for the loss of self-certification. The Staff met with interested committee members to discuss alternatives, and took the members suggestions into consideration. The recommendations made by the committee members are captured in the Discussion section of this item.

AUTHORITY

Material Inaccuracy is defined by the School Facility Program (SFP) Regulation Section 1859.2 as any falsely certified application that allowed the district an advantage in the funding process. Education Code (EC) Section 17070.51 requires the OPSC to notify the SAB if any such certifications have been found. This EC Section also provides the SAB with the authority to impose penalties if a finding of Material Inaccuracy has been made by the SAB. The penalties to the district discussed in this item pertain to the prohibition of self-certification for a period of up to five years.

For a complete list of Authority citations for loss of self-certification in association with a Material Inaccuracy, please see bolded section of Attachment A.

DISCUSSION

Loss of self-certification does not prohibit the district from completing certifications of eligibility or funding applications. However, the district is required to present proof that the certifications made are valid and true. In making loss of self-certification recommendations to the SAB in relation to premature or invalid fund releases, Staff considers a number of factors relative to the project(s) being audited as well as previously closed projects of the district. Those factors include:

- Did the project(s) meet the *Fund Release Authorization* requirements before the 18-Month Time Limit on Fund Release?
- Does the district have prior rescission(s) associated with premature or invalid fund releases?
- What is the cumulative total, in days, of all non-compliance for all premature or invalid fund releases for the district? (Note: Non-compliance refers to the period from warrant release date to the date the district met the *Fund Release Authorization* requirements for past and current items.)
- Does the district have other audit findings related to current or past audits?
- Are there any other mitigating circumstances to consider?

Most of these factors are incorporated in a flowchart (See Attachment B) that assists Staff in formulating a loss of self-certification recommendation to the SAB.

The following are suggestions made by committee members during work group discussions regarding loss of self-certification recommendations to the SAB:

Example A

- The district did not meet the 18-month time limit on fund release

Staff Recommendation for Example A

The Staff recommendation to the Board (as outlined on Attachment B) would be to rescind the project and impose a five-year loss of self-certification. The recommendation of rescission is based on the explicit requirement of Education Code (EC) Section 17076.10(d) which states that the Board shall rescind the apportionment and deny the district's application. The five-year loss of self-certification recommendation is due to the fact that this example presents a more serious violation of the law.

Committee Member Suggestions for Example A

A committee member suggested that a 30-day grace period be established for districts that did not meet the 18-month time limit on fund release. The opinion was that if the school district complies within 30 days after the 18-month time limit on fund release, Staff should take that into consideration and make a more lenient recommendation to the Board. Staff contends that there is no ambiguity in relation to the time limit to meet fund release criteria. Education Code 17076.10(d) is very clear that the criteria have to be met within a period established by the Board, but not to exceed 18 months or the board shall rescind the apportionment and deny the district's application. The law contains no provisions for extension of the time limit.

Another suggestion was to consider the percentage of compliance when recommending loss of self-certification. For example, if the district had between 45 to 49 percent of construction under contract before the 18-month time limit on fund release, then Staff should be lenient in recommending the loss of self-certification period. Again, Staff asserts that there is no ambiguity in regards to the percentage that must be under contract prior to the submittal of the *Fund Release Authorization* form. The Fund Release Authorization form, incorporated by reference in SFP Regulation Section 1859.9, requires the district as a condition of apportionment to certify that it has entered into a binding contract(s) for at least 50 percent of the construction included in the plans applicable to the State-funded project.

A committee member suggested that in this example Staff should take into consideration the number of projects that have been audited without a Material Inaccuracy finding. The suggestion was that if less than ten percent of projects audited for the district have a Material Inaccuracy finding then Staff should recommend a loss of self-certification period of no greater than two years, and if it is more than ten percent, Staff should recommend a loss of self-certification period of no greater than five years. This methodology would also apply in a situation where the district did meet the 18-month time limit on fund release and did not have prior rescission(s) associated with premature or invalid fund releases. Staff's analysis of this recommendation is that the penalty would be inequitable to small school districts. It would unfairly penalize small school districts which have fewer projects, and it would provide large school districts with preferential treatment.

Example B

- The district did meet the 18-month time limit on fund release
- The district does have prior rescission(s) associated with invalid fund releases

Staff Recommendation for Example B

The Staff recommendation to the Board (as outlined on Attachment B) would be a five-year loss of self-certification. The recommendation is based on the following:

- The district obtained a funding advantage for the current project since the funds were released to the district prior to the district meeting the fund release requirements.
- In addition, the district's prior rescission(s) represent not only a violation(s) of EC 17076.10(d) which is a more egregious violation of law, but also a period of funding advantage which is substantial.
- Finally, an additional occurrence of funding advantage identifies districts that have repeatedly violated the fund release requirements of the School Facility Program.

Committee Member Suggestions for Example B

A suggestion for this example was for Staff to take into consideration the timeframe of the prior rescissions. The opinion was that the recommendations should be more lenient if the rescissions were concurrent rather than consecutive. The rationale is that it is more egregious if a district continues to falsely certify on subsequent applications versus a district that falsely certified on multiple projects at the same time.

Another suggestion was to recommend a loss of self-certification period of no longer than five years rather than a five-year loss of self-certification. The committee member's opinion was that if the recommendation was phrased in this manner the Board would be more inclined to exercise their own authority to impose a loss of self-certification.

The Staff would like to take this opportunity to thank the committee members who participated in the work group discussion for their valuable input. Also, Staff would like to take into consideration any input from Implementation Committee members and attendees at this meeting.

ATTACHMENT A

AUTHORITY

EDUCATION CODE SECTION 17070.51

17070.51. (a) If any certified eligibility or funding application related information is found to have been falsely certified by school districts, architects or design professionals, hereinafter referred to as a material inaccuracy, the Office of Public School Construction shall notify the board.

(b) The board shall impose the following penalties if an apportionment and fund release has been made based upon information in the project application or related materials that constitutes a material inaccuracy.

(1) Pursuant to a repayment schedule approved by the board of no more than five years, the school district shall repay to the board, for deposit into the 1998 State School Facilities Fund, an amount proportionate to the additional funding received as a result of the material inaccuracy including interest at the rate paid on moneys in the Pooled Money Investment Account or at the highest rate of interest for the most recent issue of state general obligation bonds as established pursuant to the Chapter 4 (commencing with Section 16720), of Part 3 of Division 4 of Title 2 of the Government Code, whichever is greater.

(2) The board shall prohibit the school district from self-certifying certain project information for any subsequent applications for project funding for a period of up to five years following the date of the finding of a material inaccuracy or until the district's repayment of the entire amount owed under paragraph (1). Although a school district that is subject to this paragraph may not self-certify, the school district shall not be prohibited from applying for state funding under this chapter. The board shall establish an alternative method for state or independent certification of compliance that shall be applicable in these cases. The process shall include, but shall not be limited to, procedures for payment by the school district of any increased costs associated with the alternative certification process.

(c) For school districts found to have provided material inaccuracies when a funding apportionment has occurred, but no fund release has been made, the board shall direct its staff to reduce the apportionment as necessary to reflect the actual nature of the project and to disregard the inaccurate information or material, and paragraph (2) of subdivision (b) shall apply.

(d) For those school districts found to have provided material inaccuracies when no funding apportionment or fund release has been made, the inaccurate information or materials shall not be considered, and paragraph (2) of subdivision (b) shall apply. The project may continue if the application, minus the inaccurate materials, is still complete.

AUTHORITY REGARDING PREMATURE FUND RELEASE AND RESCISSION

Fund Release Criteria

EC Section 17072.32 in part states that the essential element necessary to meet the criteria of a fund release is to have "...a binding contract for the completion of the approved project".

SFP Regulation Section 1859.90 states, "...the OPSC will release State funds that have been apportioned by the Board to the district after submittal, by the district, of the Form SAB 50-05."

Form SAB 50-05, incorporated by reference in SFP Regulation Section 1859.90, requires the district, as a condition of funding, to certify that it has entered into a binding contract(s) for at least 50 percent of the construction included in the plans applicable to the state funded project.

EC Section 17072.32(a) states, "For any project that has received an apportionment pursuant to Section 17072.30, funding shall be released in amounts equal to the amount of the local match upon certification by the school district that the school district has entered into a binding contract for completion of the approved project."

Material Inaccuracy

SFP Regulation Section 1859.2 (Definition of Material Inaccuracy), "Means any falsely certified eligibility or funding application related information submitted by the school districts, architects or other design professionals that allowed the school district an advantage in the funding process."

(Continued on Page Two)

Material Inaccuracy (cont.)

To make a finding of Material Inaccuracy, EC Section 17070.51(a) states, "If any certified eligibility or funding application related information is found to have been falsely certified by school districts, architects or design professionals, hereinafter referred to as a Material Inaccuracy, the OPSC shall notify the Board."

Material Inaccuracy Penalties

EC Section 17070.51(b) states that, "The board shall impose the following penalties if an apportionment and fund release has been made based upon information in the project application or related materials that constitutes a Material Inaccuracy."

EC Section 17070.51(b)(1) states that, "Pursuant to a repayment schedule approved by the board of no more than five years, the school district shall repay to the board...an amount proportionate to the additional funding received as a result of the Material Inaccuracy including interest at the rate paid on moneys in the Pooled Money Investment Account..."

Repayment of Material Inaccuracy Interest Penalty

SFP Regulation Section 1859.104.1(c)(1) states the district "must repay the additional funding received beyond the amount the district was entitled to for the project with interest within five years from the date the Board made the finding of Material Inaccuracy. Interest shall be assessed as prescribed in Education Code Section 17070.51(b)(1)."

Rescission of Project Apportionment

EC Section 17076.10(d) states, "If a school district has received an apportionment, but has not met the criteria to have funds released pursuant to Section 17072.32 or 17074.15 within a period established by the board, but not to exceed 18 months, *the board shall rescind the apportionment* and deny the district's application."

SFP Regulation Section 1859.90 states, "...a district must submit the Form SAB 50-05, within 18 months of the Apportionment of the SFP grant for the project or the entire...apportionment shall be rescinded without further Board action, and the pupils housed in the project, if applicable, will be added back to the district's baseline eligibility. The district may re-file a new application for the project subject to district eligibility and priority funding at the time of resubmittal."

AUTHORITY REGARDING LOSS OF SELF-CERTIFICATION

EC Section 17070.51(b)(2) states that, "The board shall prohibit the school district from self-certifying certain project information for any subsequent applications for project funding for a period of up to five years following the date of the finding of a Material Inaccuracy or until the district's repayment of the entire amount owed under paragraph (1)." The statute further states, "...The board shall establish an alternative method for state or independent certification of compliance that shall be applicable in these cases. The process shall include, but not be limited to, procedures for payment by the school district of any increased costs associated with the alternative certification process."

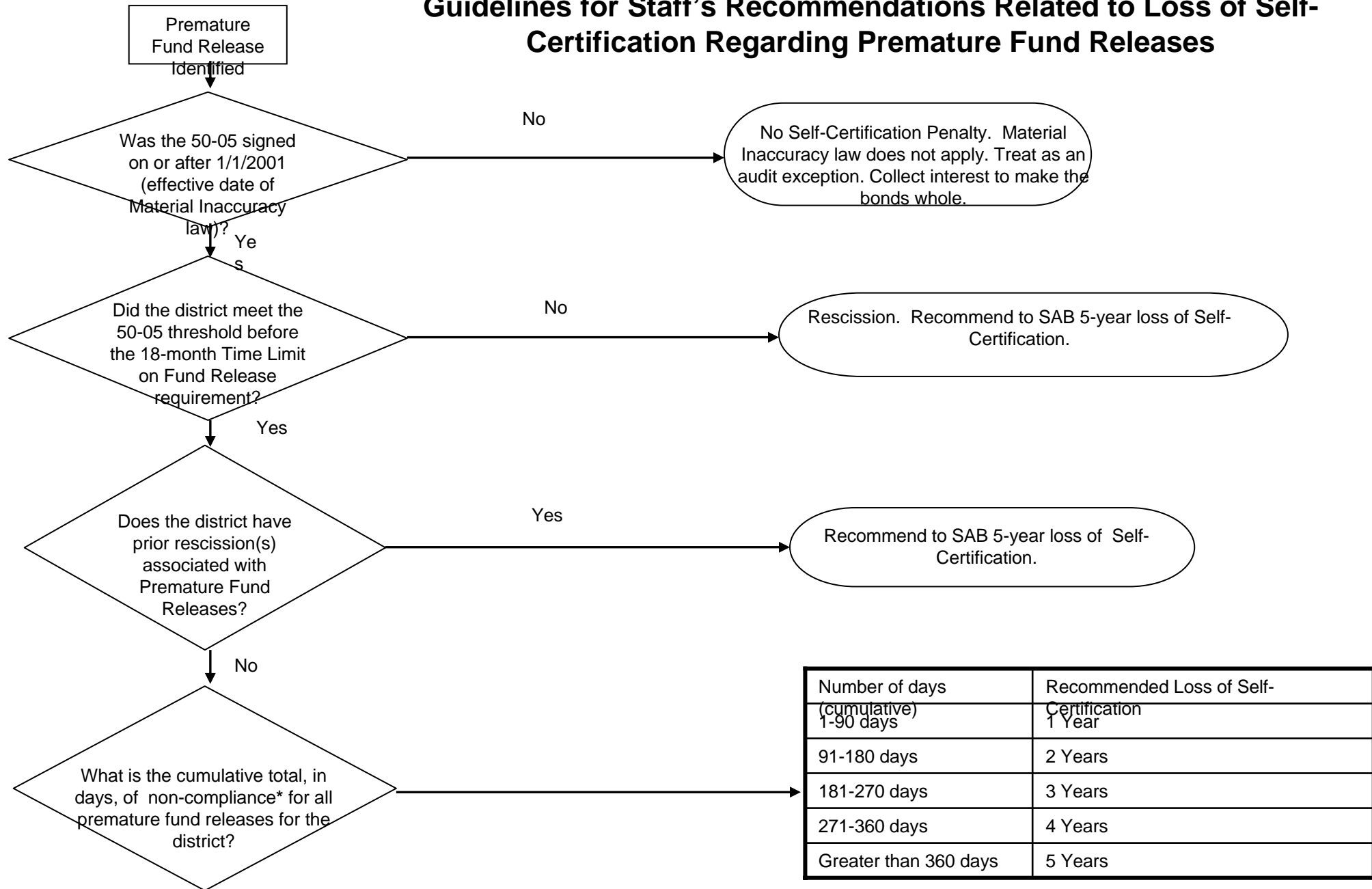
SFP Regulation Section 1859.104.1(c)(2) further clarifies EC Section 17070.51(b)(2) and requires that the district "shall be prohibited from self-certifying project information for a period of up to five years from the date the Board made the finding of Material Inaccuracy for the project. A prohibition from self-certification of project information may be less than five years as determined on a case-by-case basis by the Board."

SFP Regulation Section 1859.104.1(c)(3) states the district shall file all projects pursuant to Section 1859.104.2 for a period of up to five years from the date the Board made the finding of Material Inaccuracy for the project.

SFP Regulation Section 1859.104.1(c)(4) states the district shall be subject to the fee prescribed by Section 1859.104.3, which states if the SAB has made a finding of Material Inaccuracy, the SAB shall charge the district an amount of \$100 per hour for the additional hours to process and review the district's applications submitted during the timelines prescribed in Section 1859.104.1(c)(2).

ATTACHMENT B

Guidelines for Staff's Recommendations Related to Loss of Self-Certification Regarding Premature Fund Releases



*Non-compliance refers to the period from warrant release date to the date the district met the 50-05 threshold for past and current items.

STATE ALLOCATION BOARD
IMPLEMENTATION COMMITTEE
June 6, 2008

MATERIAL INACCURACY REGULATIONS

PURPOSE

To discuss proposed regulatory amendments that give school districts protections in reporting on the *Project Information Worksheet* (PIW).

BACKGROUND

The worksheet will be used to collect data, and the proposed regulation ensures that reliable data are collected. The proposed regulation also makes sure that districts are not subject to Material Inaccuracy findings based on this information.

The *Project Information Worksheet* was adopted by the State Allocation Board (SAB) at its September 2007 meeting. At the January 2008 SAB meeting, the Office of Public School Construction (OPSC) Staff recommended, and the SAB requested, that Staff review and present proposed amendments to Regulation Section 1859.104.1 (Material Inaccuracy Penalties) at a future SAB meeting to clarify the purpose of the worksheet as it relates to material inaccuracies.

The item that included these proposed regulatory amendments was first presented at the March 2008 Implementation Committee meeting. At that meeting, the OPSC Staff presented proposed regulation, which stated that, "Information provided in good faith, for the purposes of the Project Information Worksheet only, shall not provide in and of itself the basis for a Material Inaccuracy." However, based on the March meeting's comments from audience and committee members, Staff revised the proposed regulation for the April 2008 Implementation Committee meeting. The revised proposed regulations stated that, "A school district filing a *Project Information Worksheet* with the most accurate information available at the time of filing will not be subject to a Material Inaccuracy for that information." Next, Staff made further considerations based on a request made by members at the April meeting to remove the 'most accurate information' section from the proposed regulation. However, Staff maintains its belief that removing this phrase would lower the standard for the information contained on the worksheet to an unacceptable level.

Staff agreed to relocate the proposed regulation to the end of School Facility Program (SFP) Regulation Section 1859.104.1 but concluded that a new regulation section was not necessary.

AUTHORITY

To make a finding of Material Inaccuracy, EC Section 17070.51(a) states, "If any certified eligibility or funding application related information is found to have been falsely certified by school districts, architects or design professionals, hereinafter referred to as a Material Inaccuracy, the OPSC shall notify the Board."

SFP Regulation Section 1859.2 (Definition of Material Inaccuracy), "Means any falsely certified eligibility or funding application related information submitted by the school districts, architects or other design professionals that allowed the school district an advantage in the funding process."

DISCUSSION

Revisions to Regulation Section 1859.104.1

Staff is presenting four options for discussion. The first option represents Staff's original proposal put forward at the March Implementation Committee meeting, except that the language has been relocated to the end of Regulation Section 1859.104.1. The second option is Staff's proposal from May's committee meeting. The third option is to develop alternative language that encourages the reporting of sound data while still providing protections from a Material Inaccuracy. The last option is to make no changes to the regulations.

ATTACHMENT

STATE ALLOCATION BOARD IMPLEMENTATION COMMITTEE June 6, 2008

SCHOOL FACILITY PROGRAM Proposed Amendments to Regulations

OPTION 1

Section 1859.104.1. Material Inaccuracy Penalties.

When the Board makes a finding that a Material Inaccuracy occurred for a SFP Project, the district shall be subject to the following penalties:

...

Information provided in good faith, for the purposes of the Project Information Worksheet only, shall not provide in and of itself the basis for a Material Inaccuracy.

OPTION 2

Section 1859.104.1. Material Inaccuracy Penalties.

When the Board makes a finding that a Material Inaccuracy occurred for a SFP Project, the district shall be subject to the following penalties:

...

A school district filing a *Project Information Worksheet* with the most accurate information available at the time of filing will not be subject to a Material Inaccuracy for that information.

OPTION 3

Develop alternative language with further input from the Committee that accomplishes the following:

- Encourages the reporting of sound data; and
- Provides protections to those that provide sound data.

OPTION 4

Maintain the existing regulations.